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Democratic Efforts to Help Unemployed Thwarted by GOP

Republican Senators Keep Loopholes Open for Cheating Businesses

Republicans in the Michigan Senate today refused action or even discussion on a proposal that would have increased unemployment benefits for workers in need. The funds necessary for the \$30 per claim increase would have come from an expected growth in fines paid by tax evading businesses.

"We have a responsibility to help Michigan families make it through tough times when someone in that family is laid off or let go," said Sen. Ray Basham (D-Taylor). "Today Republicans chose to play political games instead of standing up for Michigan workers."

The benefit increase was offered as an amendment to State Unemployment Tax Act (SUTA) dumping legislation meant to crack down on businesses that manipulate the system to avoid paying unemployment taxes.

The Republican controlled Senate also voted down an amendment offered by Sen. Mark Schauer (D- Calhoun and Jackson Counties) that would have strengthened the Unemployment Agency's ability to find tax-evading businesses.

"Voting against this amendment allows cheaters to keep cheating," said Sen. Schauer. "Our entire unemployment system is at risk because we continue to allow a few companies to abuse the system."

According to the Department of Labor and Economic Growth Unemployment Insurance Agency, these cheaters cost the state unemployment fund money and cause tax rates to rise for other, honest companies.

Further, the agency estimates that without closing the loopholes that allow unemployment tax evasion, the state's unemployment compensation fund will continue lose money. It is estimated that \$62-95 million dollars was lost this year alone.